

Manufacture for export: PM

THE private sector will have to provide the dynamism in the economy to make it possible for the government to achieve its goal of moderate growth with stability during the Fifth Malaysia Plan, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"If the Malaysian private sector is to contribute meaningfully to growth, it must seriously venture into manufacturing for export, either on its own or in joint ventures with foreign partners.

"The domestic market cannot support it much longer," Dr Mahathir said in a foreword to the Fifth Malaysia Plan tabled in Parliament yesterday.

On its part, the government will adopt measures to improve the investment climate, stimulate certain domestic activities (food production, road construction and building of low-cost houses), ensure efficient utilisation

of resources and rationalise public expenditure — and back these measures with increased accountability on the part of the public sector.

"All these are aimed not only at weathering the current slowdown and correcting structural weaknesses but also to enable the country to emerge stronger, more resilient and more highly competitive internationally," he added.

Referring to the role of the private sector, he noted that hitherto their interest had been confined to finance, property development and estates. If manufacturing is tried, it is largely in import substitutes where protection is demanded.

But for real growth, the only answer is manufacturing for export — and the only way to succeed is through high productivity and quality.

Dr Mahathir called on Malaysians to rise to the challenge and be more

imaginative in their endeavours, pointing out that the government is leaving the field to them through privatization.

He also stressed that they must move away from continuously thinking in segregated terms with regard to the roles and functions of the government and the private sector.

"Malaysia Incorporated means a more unified approach and framework for a closer collaboration among these entities.

"As Malaysians, we should be more enterprising and less dependent on excessive government assistance and subsidies, he said.

Dr Mahathir said the Fifth Plan will be the most challenging to the nation and Malaysians must face the difficult times ahead and be prepared to sacrifice immediate gains for long-term growth.

"Failure to make sacrifices now can

so damage the economy as to make the previous momentum in development extremely difficult to regain," he said.

He said lagging international demand and weak commodity prices will affect Malaysia's export earnings considerably. Other factors aggravating the situation are competition in the world market, increasing protectionism and debt servicing.

In view of such problems, it is imperative that the drive toward growth must continue unabated.

"At the same time, we must not lose sight of the importance of continuing our efforts to redress glaring socio-economic imbalances and to alleviate poverty."

"During the Fifth Plan period, the government will act with greater determination and pragmatism in overcoming the constraints to further development," Dr Mahathir said.